

NO TO POPULIST
IDEAS

Yes
*to democratic
responses*

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Introduction

Faced with major crises involving economy and migration as well as terrorism, the very existence of the European Union is now under threat. Taking advantage of a breeding ground and stirring fears, populists are advocating the end of the European project, its collapse and ultimately nationalism, sending Europe back to the darkest times in its history.

To counter this danger, the Institute of European Democrats (IED) hopes to spark debate and contribute to reducing the gap between citizens and the EU institutions. Established in 2007 under Belgian law as an independent research institute based in Brussels, the IED is a political think tank that is both recognised and since then supported by the European Parliament. It seeks to reinforce democratic European ideals and values and defend the rights and freedoms of all citizens. In order to carry out its mission, the Institute focuses on two key pillars: the organisation of events and the implementation of research activities. During international conferences and seminars organised in Brussels and in the Member States, the IED brings together political leaders, experts, prominent academic figures and other actors from civil society in order to exchange new ideas and discuss real problems affecting citizens.

At the same time, the Institute carries out research activities and publishes political documents and studies produced by associated researchers and external projects. The IED works in close collaboration with both European and national institutions, universities, research centres and international foundations.

The IED as a political foundation at European level, through its activities and within the aims and fundamental values pursued by the European Union, underpins and complements the objectives of the European Democratic Party (EDP), the political party at European level to which the Institute of European Democrats is affiliated.

The EDP is a transnational political movement defending the idea of an integrated and sovereign Europe that remains forward-looking thanks to its history and diversity. However, collective action is the only way to keep pace with established and emerging economic powers. The EDP remains attached to the principle of subsidiarity, which should prevent a technocratic proclivity towards the centralisation of issues regarding the daily lives of citizens.

Through a broad range of activities and together with EDP, the IED aims to play an active role in restoring and strengthening citizens' confidence in the European Union, and beyond this, in promoting a united and sovereign Europe.



FALSE

*“Of course not all immigrants are terrorists
but all terrorists are immigrants.”*

Nicolas Bay, MEP for Front National

1. Immigration and Schengen Area



Since the Schengen Agreement was signed in 1985, the free movement system has given European citizens an unprecedented area of genuine freedom and mobility. Freedom of movement is one of the cornerstones of the EU and, along with the single currency, undoubtedly one of the rights its citizens most enjoy. But this fundamental achievement of the European project is seriously at stake now.

Huge migratory pressures, recently perpetrated terrorist attacks and the alarming spread of xenophobia fomented by the populist political parties have led to the reintroduction of strict border controls and the construction of walls by several EU Member States.

With the majority of refugees arriving from the Middle East countries that are threatened by the violence of militant Jihadist groups, populists associate the waves of Muslim asylum-seekers with the risk of terrorist infiltrations.

Consequently, safety and security are frequently invoked as categorical reasons to deny reception and protection, and immigration has been increasingly presented as a security threat.

Populist parties would even prefer to abolish the Schengen Area under the pretext that it is the only way to stop migratory flows and protect Europe from terrorist attacks.



THE FACTS

If we take a closer look, it becomes clear that populist arguments are based on false assumptions, or at least non-objective and inaccurate information. Populist parties have greatly exaggerated the effectiveness and feasibility of closing borders in the current security climate. Since 2014 when the huge migratory flows to Europe have started, 30 major terrorist attacks have been carried out by Islamist terrorists on European soil, only 14* out of 52 attackers were asylum seekers or illegal residents, as an analysis of the facts shows.

List of 30 major terrorist attacks in the European Union 2014-2017

- | | | |
|----|---|---|
| 1 | 24 May 2014, Brussels, Belgium | Attack in the Jewish museum in Brussels, terrorist was <u>French</u> citizen of Algerian ancestry, 4 people killed. |
| 2 | 7 January 2015, Paris, France | Attack in the office of the French satirical newspapers Charlie Hebdo, 2 attackers were <u>French</u> citizens, 12 people killed and 11 injured |
| 3 | 8 January 2015, Paris, France | Attack in Montrouge, attacker was <u>French</u> citizen, 1 dead and 1 wounded. |
| 4 | 9 January 2015, Paris, Dammartin-en-Goële, France | Double hostage-taking in Dammartin-en-Goële and Paris, assailants of the Charlie Hebdo shooting, 7 people were killed (including 3 attackers). |
| 5 | 3 February 2015, Nice, France | Attack on 3 soldiers guarding the Jewish community centre, 2 people injured, assailant was <u>French</u> citizen. |
| 6 | 14 February 2015, Copenhagen, Denmark | Shooting at public event, assailant was <u>Danish</u> national, 3 people killed (incl. 1 perpetrator) and 5 wounded. |
| 7 | 21 August 2015, Oignies, France | Attack in the Thalys train, 3 wounded, attacker was Moroccan citizen. |
| 8 | 13 November 2015, Paris, France | A series of coordinated terrorist attacks at several locations in Paris, 8 out of 9 perpetrators were EU nationals born in <u>Belgium</u> and <u>France</u> , only 1 came to Europe through Greece alongside asylum seekers, 137 people dead (incl. 7 perpetrators) and approximately 368 wounded. |
| 9 | 22 March 2016, Brussels, Belgium | Two attacks in Brussels, one at the Zaventem Airport, second at the Maelbeek metro station, 5 assailants were <u>Belgian</u> nationals, 35 people dead (incl. 3 attackers) and app. 340 injured. |
| 10 | 13 June 2016, Magnanville, France | Stabbing of policemen, 2 police officers killed, attacker was <u>French</u> citizen, he was killed after the attack. |
| 11 | 14 July 2016, Nice, France | Attack at the promenade by a truck, perpetrator was born in Tunisia but he had valid French residency, 87 deaths (incl. 1 perpetrator) and app. 434 people injured. |
| 12 | 18 July 2016, Wurtzbourg, Germany | Attack in the train, attacker was a failed Afghan asylum seeker, 4 people injured, the attacker was killed. |
| 13 | 24 July 2016, Ansbach, Germany | Suicide bombing by a failed Syrian asylum seeker, 15 people injured. |
| 14 | 26 July 2016, Saint-Étienne-du-Rouvray, France | Attack on the church, one perpetrator was <u>French</u> national, second was from Algeria, 3 people were killed (incl. both perpetrators). |
| 15 | 6 August 2016, Charleroi, Belgium | Stabbing of policewomen, 2 police officers wounded, attacker was Algerian citizen who lived illegally in Belgium, he was killed after the attack. |
| 16 | 19 December 2016, Berlin, Germany | Attack at the Christmas market, assailant was a failed asylum seeker from Tunisia, 12 people dead (incl. 1 assailant) and app. 56 people wounded. |
| 17 | 3 February 2017, Paris, France | Attack on a group of soldiers guarding the entrance to the Louvre Museum, 1 soldier was wounded, attacker was Egyptian national who entered the EU on one-month visa. |
| 18 | 18 March 2017, Paris, France | Attack in Paris-Orly airport, attacker who was killed after the attack was <u>French</u> citizen, 2 people injured. |
| 19 | 22 March 2017, London, United Kingdom | Attack in Westminster, attacker was <u>British</u> national, 6 people dead (incl. 1 perpetrator) and app. 50 people wounded. |
| 20 | 7 April 2017, Stockholm, Sweden | Attack by a lorry, 5 people dead and 15 injured, attacker was an Ouzbek refugee (asylum denied a short moment before the attack). |
| 21 | 20 April 2017, Paris, France | Attack in the Champs-Élysées, 1 police officer killed, attacker was <u>French</u> citizen, who was killed after the attack. |
| 22 | 22 May 2017, Manchester, United Kingdom | Attack at the concert, attacker was <u>British</u> national of Libyan ancestry, 23 people dead (incl. the bomber) and app. 60 injured. |
| 23 | 3 June 2017, London, United Kingdom | Attack at the London Bridge and Borough Market, 2 of 3 attackers were EU citizens, one attacker was <u>British</u> citizen born in Pakistan, second attacker was Moroccan or Libyan and failed asylum seeker, third attacker had dual <u>Italian</u> and Moroccan nationality, 11 people killed (incl. 3 attackers) and app. 48 were wounded. |
| 24 | 19 June 2017, London, United Kingdom | Attack by a van in Finsbury Park, 1 person killed and app. 10 people were injured, perpetrator was <u>British</u> citizen. |
| 25 | 28 July 2017, Hamburg, Germany | Stabbing at the supermarket, 1 person was stabbed to death and 6 people were injured, attacker was Palestinian refugee. |
| 26 | 9 August 2017, Levallois-Perret, France | Attack on soldiers, 6 soldiers were wounded, attacker was Algerian with valid EU residency. |
| 27 | 17-18 August 2017, Barcelona, Cambrils, Spain | A series of coordinated attacks in two Catalan cities, 1 perpetrator was <u>Spanish</u> citizen and 7 other perpetrators were born in Morocco but all of them were supposed to have valid EU residency, 24 people killed (incl. 8 perpetrators) and app. 130-150 people wounded. |
| 28 | 18 August 2017, Turku, Finland | Stabbing at the market square, 2 people were stabbed and 8 people were wounded, attacker was Moroccan asylum seeker. |
| 29 | 15 September 2017, London, United Kingdom | Explosion at Parsons Green tube station, 30 people wounded, attacker was Iraqi national. |
| 30 | 1 October 2017, Marseille, France | Illegal Tunisian immigrant stabbed two women at the Marseille-Saint-Charles Station. perpetrator was killed after the attack. |

Total of 52 perpetrators – 38* were either EU nationals or EU residents with valid residency; only 14* were asylum seekers or illegal residents. These facts challenge the hypothesis that Jihadists infiltrate migrant groups travelling to Europe in order to commit terrorist attacks. Most of the recent terrorist attacks that took place on European soil were committed by EU citizens. Re-establishing internal borders in order to block non-EU nationals would therefore not have prevented these attacks.

*Important note: Some of the attacks are still under investigation so information on origin and residency status of perpetrators are subjected to modification.



The latest report on the EU Terrorism Situation provided by Europol, the major EU agency for handling criminal intelligence, concluded that there is absence of evidence that terrorist groups use the migratory flow to sneak militants into Europe. The recent United Nations report on terrorism similarly finds no evidence that migration causes terror attacks. In fact, the report concludes that policies that respect human rights, justice, and accountability, and that manifest the values on which democracy is founded, are an essential element of effective counter-terrorism policies. Frontex, the European agency responsible for managing the EU's external borders, has also emphasised that the reintroduction of controls at borders by certain Member States has not reduced migratory flows at the EU's internal or external borders.

Contrary to what populists may claim, the abolition of Schengen is simply not the miracle solution for guaranteeing our security. Internal borders are not designed to detect or combat home-grown terrorism, which has been found to be the greatest threat to European security in past years. In the long term, the costly re-establishment of borders would threaten rather than protect Member States.

- Surveys carried out after recent terrorist attacks have highlighted the lack of information and coordination among the Member States national intelligence services;
- Implementing internal borders would detract crucial operational, administrative and financial resources from the counter-terrorism strategies focused on combating the radicalisation of European nationals and second-generation immigrants in particular;
- The breakup of Schengen would have serious economic and social repercussions:
 - > There would be an increase in direct costs of between EUR 1.7 and EUR 7.5 billion each year for the cross-border transportation of goods;
 - > Between EUR 600 million and EUR 5.8 billion would have to be paid by Member States for the reorganisation of airports, border controls and additional administrative costs;
 - > There would be a direct impact on the daily lives of millions of cross-border commuters, tourism would be significantly eliminated;
 - > The economic impact of abolishing Schengen would only serve to further fragmentation of the continent along lines of far-right nationalism and it would contribute to the rise of xenophobia and Islamophobia.

The inability of populist parties to understand the possible consequences of a breakup of the Schengen Area represents an imminent threat to the security, stability and economic prosperity of the EU. By promoting xenophobia, populist parties are unwittingly creating the exact conditions for the spread of radicalisation and home-grown extremism.



RESPONSES FROM THE IED

The EU's external safety cannot be guaranteed as long as the protection of its external borders remains in the hands of individual Member States. Common security does not necessarily mean losing sovereignty, as long as we create shared surveillance bodies for our external borders and strengthen internal security legislation. In order to do so, four crucial measures must be taken:

1. **The creation of a border guard and coastal guard agency (a Frontex-type agency with greater powers) is a key proposition.** Its main missions will be the implementation of an operational strategy for border management and coordinating assistance from all Member States. This new Frontex will act as part of a common effort to centralise and effectively spread the resources necessary for managing external borders with a stricter systematic control of European citizens at external EU borders.
2. **The implementation of a European intelligence agency with real investigative powers** in cases of terrorism, with access to all information held by 28 Member States. The exchange of information between the European intelligence services is not working as well as it should. It is imperative to re-establish confidence and improve international cooperation among the intelligence agencies and law enforcement authorities of individual Member States. Only mutual cooperation and an effective exchanging of information will enable the EU to fight against terrorism and guarantee the safety of its citizens.
3. **The replacement of the current European asylum system, which is unfair and irresponsible.** Based on the Dublin Regulations, it must urgently evolve into a new, more ambitious agreement that demands a wider contribution from Member States in the management of external borders in terms of reception, accommodation and integration, from both a financial and human standpoint. This new system must take into account the reception capacities and financial resources of each country.
4. **The full and complete integration of immigrants into the domestic systems of Member States.** Economic disenfranchisement is the main factor behind radicalisation in the EU. So too are social segregation, economic exclusion, Islamophobia and discrimination, which push second-generation of European migrants toward criminal involvement. The solution relies on the implementation of policies that can improve the professional skills of immigrants and their performance within the labour market. It is worth noting that, in 2015, 83% of first-time asylum seekers in the EU were under the age of 35 and that they are the taxpayers of tomorrow who will sustain our social system.

The Schengen Area is the essential cornerstone of the EU that enhances our freedom and leads us to a more open European society. The reintroduction of border controls and the construction of walls and fences within the Schengen Area are not the solution for how to tackle terrorism and provide security. There has been no proven link between migration and terrorism which would support the argument for the abolishment of Schengen. It therefore makes no sense to abolish the Schengen Agreement. The absolute majority of the recent attacks in Europe were not committed by refugees who had recently arrived in Europe but by European citizens or foreigners holding a residence card. This indicates that European citizens need to be controlled more strictly at the EU's external borders. It is unlikely that we can prevent terrorists from attempting to infiltrate the flow of refugees, but this does not mean that migration is a breeding ground for terrorism. This amalgamation between refugees and criminality is unbearable and the re-establishment of internal borders across the EU would in fact jeopardise European security as well as economic stability, prosperity and peace across our continent.

FALSE

"I protect French workers by opposing immigration that lowers their wages."

Marine Le Pen, MEP for National Front

2. Posted workers and social dumping

Many European companies often post employees to other EU Member States to work there temporarily. These posted workers must be paid at least the minimum rates of pay determined by the host country but their wages can be lower than the wages of nationals. Populists claim that posted workers coming from economically less advanced EU countries steal the jobs of people in more well-off Member States, exploit the host countries' welfare systems and do not contribute anything in return. In the view of populists, there is a high number of posted workers in high-wage EU countries and their presence undermines the host countries' social security systems. Populists blame the EU for such trends and argue that only the abandonment of free movement of workers and the return of competencies to the nation-states can resolve the issue.

THE FACTS

Data collected by the European Commission for the year 2014 contradicts the populists' arguments:

1. There are too many posted workers across the EU – FALSE

The overall number of posted workers in the EU in 2014 totalled over 1.9 million, which represents only 0.7% of all jobs in the EU. 42% of all postings in 2014 were concentrated in the construction sector, followed by 22% in the manufacturing industry and 13.5% in education, health and social work.

2. Posted workers usually come from low-wage countries that joined the EU in the last enlargement rounds – FALSE

Of 1.9 million posted workers, approx. 839,729 are from the thirteen European countries that joined the EU from 2004 to 2013 ('low-wage countries') and 1,033,108 from the rest of the EU ('middle-wage countries' and 'high-wage countries'). This indicates that more than 54% of all posted workers come from the richer EU Member States. Although Poland is the leading EU country per number of workers posted to other Member States (428,405), it is immediately followed by three high-wage Member States – Germany (255,724), France (125,203) and the Netherlands (116,060).

3. The high-wage EU countries receive posted workers but do not export any – **FALSE**

It is the fact the high-wage Member States receive the highest number of posted workers. Germany (414,220), France (190,848), Belgium (159,746), Austria (101,015) and the Netherlands (87,817) welcome the highest number of posted workers, but three of those countries – Germany, France and the Netherlands – also export the highest number of posted workers. Moreover, certain medium-wage and high-wage countries (Luxembourg, the Netherlands, Italy, Ireland and Spain) export more posted workers than they receive. In 2014, Luxembourg received 21,763 posted workers while it exported 62,141 posted workers.

4. Posted workers are flowing from low-wage countries to high-wage countries – **FALSE**

The flow of posting goes mainly from one high-wage country to another high-wage country (35.8%). There are strong flows of posted workers among Germany, France, Belgium, the Netherlands and Luxembourg, which are all high-wage Member States. The flow from a low-wage country to a high-wage country comes second (34.4%).

No.	Country	Numb. of received workers	Countries of origin of posted workers
1	Germany	414,220	Poland
2	France	190,848	Portugal, Poland
3	Belgium	159,746	France, Poland
4	Austria	101,015	Slovenia, Germany
5	The Netherlands	87,817	Germany
6	Italy	52,481	France, Germany
7	United Kingdom	50,893	France, Germany, Spain
8	Spain	44,825	France, Germany, Portugal
9	Sweden	33,019	Germany, Poland
10	Luxembourg	21,763	Germany, Belgium
11	Czech Republic	17,165	Slovakia, Germany
12	Finland	16,589	Estonia, Poland
13	Poland	14,521	Germany, France
14	Portugal	12,833	Spain, France
15	Denmark	10,869	Germany
16	Romania	9,717	Germany, France
17	Hungary	8,955	Slovakia, Germany
18	Slovakia	7,634	Germany, Poland
19	Slovenia	6,550	Croatia, Germany
20	Greece	4,692	Germany, France
21	Croatia	4,560	Slovenia, Germany
22	Ireland	3,973	Germany, France
23	Bulgaria	3,267	Germany, Italy
24	Estonia	2,951	Germany, Poland
25	Lithuania	1,930	Poland, Germany
26	Latvia	1,504	Germany, Lithuania
27	Malta	1,062	Germany, France
28	Cyprus	944	Germany

No.	Country	Numb. of received workers	Countries of origin of posted workers
1	Poland	428,405	Germany
2	Germany	255,724	The Netherlands
3	France	125,203	Belgium, Germany
4	The Netherlands	116,060	Belgium
5	Spain	111,557	France, Germany, United Kingdom
6	Slovakia	89,494	Germany, Austria
7	Slovenia	79,771	Germany, Austria
8	Belgium	79,771	France, the Netherlands
9	Portugal	75,577	France, Belgium
10	Italy	74,431	(Switzerland), France
11	Hungary	68,234	Germany
12	Luxembourg	62,141	Belgium, France
13	Romania	57,194	Germany, France
14	Austria	48,815	Germany
15	United Kingdom	33,092	n/a
16	Czech Republic	31,675	Germany
17	Croatia	27,556	Germany
18	Denmark	20,409	n/a
19	Lithuania	19,208	Germany, (Norway)
20	Estonia	15,054	Finland
21	Bulgaria	14,203	Germany
22	Sweden	12,126	(Norway)
23	Ireland	7,654	United Kingdom, Germany, Belgium
24	Finland	6,940	Sweden
25	Latvia	6,656	Germany, (Norway), Sweden
26	Greece	3,608	Germany
27	Cyprus	1,955	n/a
28	Malta	324	United Kingdom, Italy

The table was created according to the data presented in European Commission – Employment, Social Affairs and Inclusion – Posted workers database – countries factsheets.

5. Posted workers steal the jobs of nationals of the host country – MISLEADING

Posted workers are not EU mobile workers who are entitled to equal treatment with nationals in regard to access to employment, working conditions and social benefits – posted workers only remain in the host member country temporarily and do not integrate into its labour market. The fundamental difference with a posted worker is that, unlike a mobile worker, s/he remains employed in his/her home country. There are two major 'models' of posting: one mainly driven by labour cost differentials, the other driven mainly by a shortage of and demand for skilled and highly professional workers.

6. Posted workers are undermining the host countries' social security systems – MISLEADING

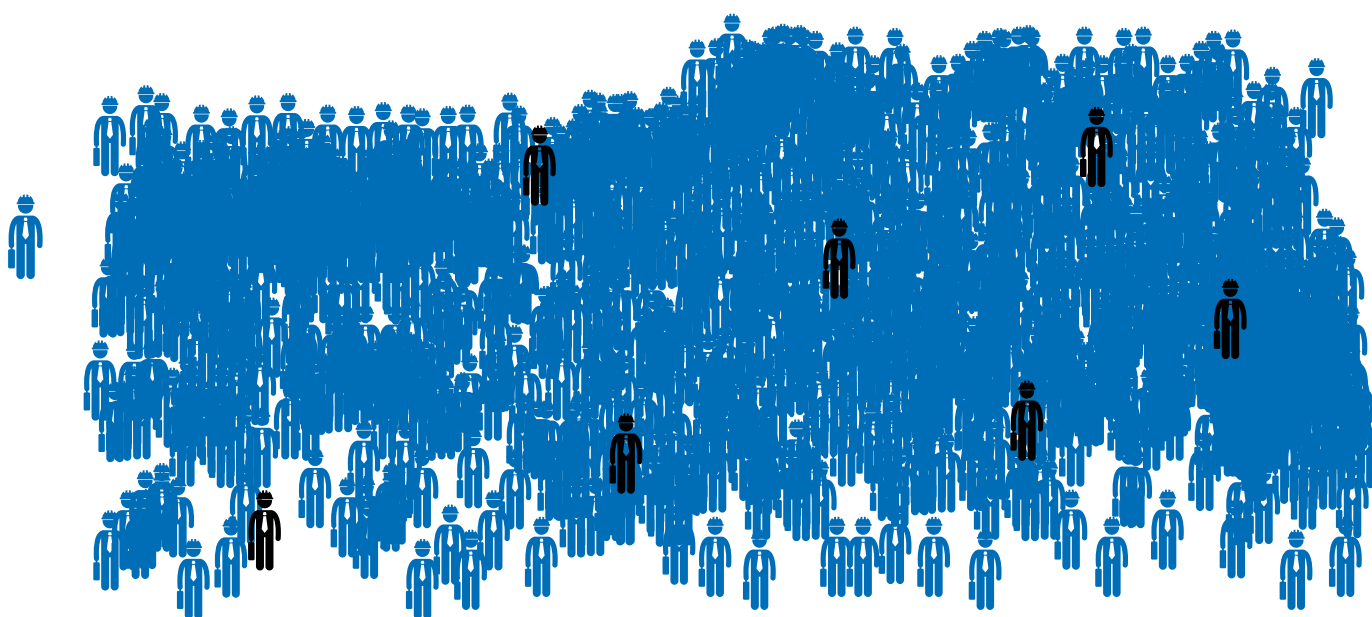
Posted workers are, in the majority of cases, covered by their home country's social security system, which means that the host country does not provide social security benefits to posted workers. When a worker is posted for a period of less than 183 days, the sending Member State has the authority to levy income tax and social security contributions; after a period longer than 24 months, this authority switches to the receiving Member State to levy both taxes and contributions; for periods between 183 days and 24 months (and longer) there is a split: income tax is levied by the receiving country while social security contributions are levied by the sending country. Posted workers are entitled by law to a set of core rights in force in the host Member State (minimum wage, working hours, health and safety at work, minimum annual leave) in order to prevent social dumping. The host country also does not pay the pensions of retired workers who were posted there in the past.

7. By allowing posting, the EU supports social dumping – MISLEADING

Posting of workers takes place as a result of the employer exercising the freedom to provide cross-border services foreseen by Article 56 of the Treaty on the Functioning of the European Union (TFEU). However, posting of workers have been abused by some companies that use 'social dumping' practices – e.g. cheaper labour force is posted through abusive companies to work abroad illegally for a lower salary than that in place in the host member country. The EU intensively fights against social dumping practices with the recent introduction of the Enforcement Directive as well as the new revision of the Posting of Workers Directive, which dates back to 1996 and foresees that a posted worker is subject to a core set of labour law rules in the country where s/he temporarily carries out work.

Populist accusations against the labour market and posting of workers are based on false assumptions rather than real data. Posted workers only account for 0.7% of all jobs in Europe. In most cases, the country of origin and country of destination are high-wage Member States and the workers do not benefit from the social system of their host country.

Despite all this, a lot of work still needs to be done to prevent social dumping and guarantee each citizen adequate social provisions. Currently, there are substantial inequalities between Member States in the implementation of the Posting of Workers Directive, in relation to legislative provisions. A certain degree of flexibility in the interpretation of the regulation has led to imbalances across the labour market and social dumping, which has been intensified due to differences in labour wages and taxation. Although the directive outlines a core set of labour laws for posted workers, it fails to address the wage fixing mechanisms in which the decentralisation of collective negotiations plays an important role. In fields requiring fewer qualifications, such as construction, disparities in salaries of over 30% can often be observed between posted workers and the local work force. In some countries, posted workers in these sectors represent 10% of the work force, sometimes even more. Posting can, in this case, put pressure on salaries. Posted workers must not be treated as second-class workers. They deserve equal pay for equal work in the same workplace.



RESPONSES FROM THE IED

Only seven in every thousand jobs are occupied by posted workers in the EU.

The following steps need to be taken:

1. **Apply the principle of ‘equal pay for equal work’** and equal pay between local and posted workers at the same location in order to combat social dumping in the EU.
2. **Remove national variations in the application of the Posting of Workers Directive** and create uniform regulations and legislation applicable in all EU Member States;
3. **Create strict controlling mechanisms inside the Member States** as well as a common European agency that will control posted workers and labour mobility in general;
4. **Combat not only major forms of abusive practices but also unfair competition** and unequal treatment of posted workers;
5. **Provide better exchange of information on posted workers among the Member States;**
6. **Create the status of ‘European employee’ and a European labour ID;**
7. **Create ‘black lists’ of abusive and unverified agencies and companies** that post workers;
8. **Take all necessary steps to enhance the European social model** that will provide common social benefits and protection for all workers in the EU Member States – European pension, European health and social insurance, European minimum wage, etc.

Labour mobility is one of the cornerstones of the European Union. Only the collective action of all EU Member States can provide fairness, proper protection and equal treatment in employment as protection for both, those who move and those in the host state. Equal treatment in wages, working conditions, social security terms and assistance is necessary. Without it, the posted workers will be willing to accept lower wages and standards of employment than nationals. Without protecting the labour standards of workers sent temporarily to other Member States by their employer to provide services, neither the posted workers nor workers or employers in the home states can be guaranteed a level playing field. We must put strong rules in place that will enhance labour mobility in the long run and protect the rights of all European employees without exception.

FALSE

"In Britain, what we've done is say to 485 million people, 'You can all come, every one of you. You're unemployed? You've got a criminal record? Please come. You've got 19 children? Please come.' We've lost any sense of perspective on this."

Nigel Farage, MEP for UK Independence Party

3. The European social model



Populist political forces claim that the current social policies in the EU are unfair because they are too generous for immigrants and ethnic minorities at the expense of home citizens. Populists argue that the mechanisms of the European social model make the middle class poorer while public money is spent lavishly on immigrants who are not entitled to benefit from European welfare services. As a result, most populist political parties in Europe argue that globalisation has undermined the social services, the EU has failed in the implementation of fair social policies, and the nation-states can protect the social rights of their citizens better and more effectively.

THE FACTS

Populist calls to abandon the European social model absolutely ignore the advantages and achievements of the vision of a common and integrated European social policy.

First of all, the European social model is the answer to globalisation and all demographic, economic and social challenges the EU countries are facing. Currently, there are different social schemes across the EU Member States, but the European social model is a common and unique vision of all of them. The main purpose of a uniform social model is to help all Europeans come to terms with demographic and economic changes and their consequences. Its fundamental goal is the creation of a more equal European society based on solidarity and cohesion.

Secondly, ethnic minorities and immigrants do not endanger the social rights and welfare systems of Europeans. It is necessary to dispel the myth that the 'out-of-control' presence of immigrants in EU countries poses a threat to the jobs of EU citizens or their terms of pay, or that the security and social protection systems are increasingly unbalanced towards the needs of immigrants and less and less available for the needs of EU citizens.

In the 2013 *International Migration Outlook*, the OECD lists three factors that determine whether an immigrant is a net social contributor or net social beneficiary:

1. **Age profile of immigrants:** young immigrants of working age are likely to be net contributors until they are between 40-45 years old, as they receive little health or pension expenditure.
2. **Employment rate of immigrants:** if immigrants are employed, they are more likely to be net social contributors.
3. **Skill level of immigrants:** if immigrants are highly skilled (and there are many highly skilled immigrants in Europe), they are more likely to be employed, pay more in taxes, and receive fewer benefits.

In the 2016 *International Migration Outlook*, the OECD similarly concludes that there is little impact of immigration in key areas such as the labour market, social benefits, healthcare and the public purse. With 10% foreign workers in the active population, the hypothetical decrease in salaries of nationals would not even be 1%. No statistical study or research has concluded that immigration has a negative impact on employment and social security in the EU. In reality, to a much greater extent than migratory flows, it is the negative demographical changes in European countries that pose a threat to the social security system. Migrants now represent a young work force that is capable of offsetting an ageing European population and of contributing to social systems in the same way as domestic populations.

Thirdly, only a common European policy can lead to a comprehensive social system based on social justice, solidarity, strong social protection, efficient and high quality public services and social dialogue that combats poverty and social exclusion. In 60 years of peace and political stability, the European project has brought prosperity and social progress like never before. Social policies implemented thus far have been greatly successful as they have improved and harmonised the quality of life in almost all Member States.



The European Institutions work hard to enhance this legacy and establish a united European social model applicable for all EU Member States. Based on what the EU has already done, the European Parliament calls for the implementation of the initiative entitled 'European Pillar of Social Rights'.

This initiative aims to go a step further and reinforce social rights through concrete and specific tools – legislation, policy-making mechanisms and financial instruments – making a positive impact on people's lives in the short and medium term for all EU countries. The main idea of this initiative is to continue developing the European social model that empowers people in vulnerable situations and enables sustainable prosperity and high productivity based on solidarity, social justice, equal opportunities, fair distribution of wealth, intergenerational solidarity, non-discrimination, gender equality, universal and high-quality education systems, quality employment, strong social protection and adequate living standards for all.

The European social model versus individual social models

1. **The European social model has made the EU one of the most prosperous regions of the world:** on key welfare indicators including poverty, inequality, health and quality of life, the EU Member States are at the top of the world rankings. This is the direct achievement of the European social model, which ensures the gradual equalisation of living standards for all EU Member States. Without this mechanism, economically less advanced European states would not be able to reach such high economic growth and living standards on their own as quickly and efficiently.

Example: According to the 2016 Legatum Prosperity Index, 17 Member States are classed among the 30 most prosperous countries in the world (9 EU countries in the top 15). This figure is higher than in 2014 (15 EU countries in the Top 30), or in 2008 and 2007 (14 EU countries in the top 30).

2. **The European social model creates an important safety net of minimum standards for citizens of all EU Member States:** The existence of legislation formulating European social rights prevents social dumping. Although there are still not the same conditions (same salary, pension, etc.) in all EU Member States, thanks to the European social model there are minimum standards for all EU citizens that cannot be lowered by national governments. Additionally, through the cross-border cooperation and common action of all EU countries, the European social model aims to converge social conditions in all EU Member States, which would not be possible in the case of individual social systems.

Example: EU Member States that joined after 2004 have benefited from EU assistance and funding to become dynamic and successful economies and equal partners for older Member States.

3. **The European social model enables the exchange of best practices, know-how and innovations among EU Member States:** one of the most important aspects of the European social model is the existence of the dialogue at the European level. Thanks to collaboration and the exchange of knowledge and practices among EU countries, the EU invests in research and innovation, creates more high-quality jobs and provides trainings and education for workers. Without the European social model, less advanced regions would be unable to benefit from the innovation and know-how of more advanced regions.

Example: The Nordic countries can be distinguished by significantly better practices compared to the rest of the EU (the Nordic model is characterised by top-quality services, including free education and free healthcare and generous, guaranteed pension payments for retirees) and they can provide their know-how to other EU countries easily through a common social platform.

RESPONSES FROM THE IED

It is essential to defend and promote the European social model with the following measures:

1. Protection of individual and collective citizens' rights to which every citizen is entitled;
2. Promotion of social justice for all without exception;
3. Enhancement of solidarity between rich and poor, employed and unemployed, healthy and ill/disabled;
4. Provision of dignified living conditions, minimum social standards and essential social services to enable every individual to live in dignity;
5. Reduction of all forms of inequalities – regional disparities, gender inequalities, income inequalities;
6. Guarantee of the reciprocity principle;
7. Pursuing structural funds policies to support the growth of disadvantaged areas, while ensuring efficient and effective use of this aid;
8. Provision of fair working conditions, social and employment regulations (health and safety, equal opportunities, working time, holidays, etc.) and adequate remuneration for work;
9. Ensuring workers' representation and consultation and equal opportunities for all citizens;
10. Fighting against any form of discrimination.

Significant demographic changes, an ageing population and the impact of globalisation make it more difficult to finance healthcare, pensions and other social policies; at the same time, the recent global financial crisis has aggravated social problems. The European social model is the answer to all demographic and global challenges the EU is facing nowadays because it is the only way to secure minimum social standards and ensure social protection and social justice for all citizens of the European Union.

Ethnic minorities and immigrants do not endanger the welfare rights of Europeans. It has been proven that immigration has little impact on the employment and social benefits of the host countries. Only a lack of common action and a negative demographic trend endanger the social rights of Europeans. The European social model creates a safety net of minimum standards for citizens of all EU states; it also enables the exchange of best practices among the most socially advanced EU states and makes the EU one of the most prosperous regions in the world.

Therefore, we need to continue building and promoting the European social model, the unifying base of which represents a key element of the European identity.



2016 Legatum Prosperity Index: 17 EU countries are among the 30 most prosperous countries in the world (9 EU countries in the top 15) - this figure is higher than in 2014 (15 EU countries in the top 30) or in 2008 and 2007 (14 EU countries in the top 30).

FALSE

“Leaving the EU or Nexit will not only restore our national sovereignty but it will also boost the Dutch economy now and in the future. Nexit will create jobs, and the income of our citizens and companies will grow.”

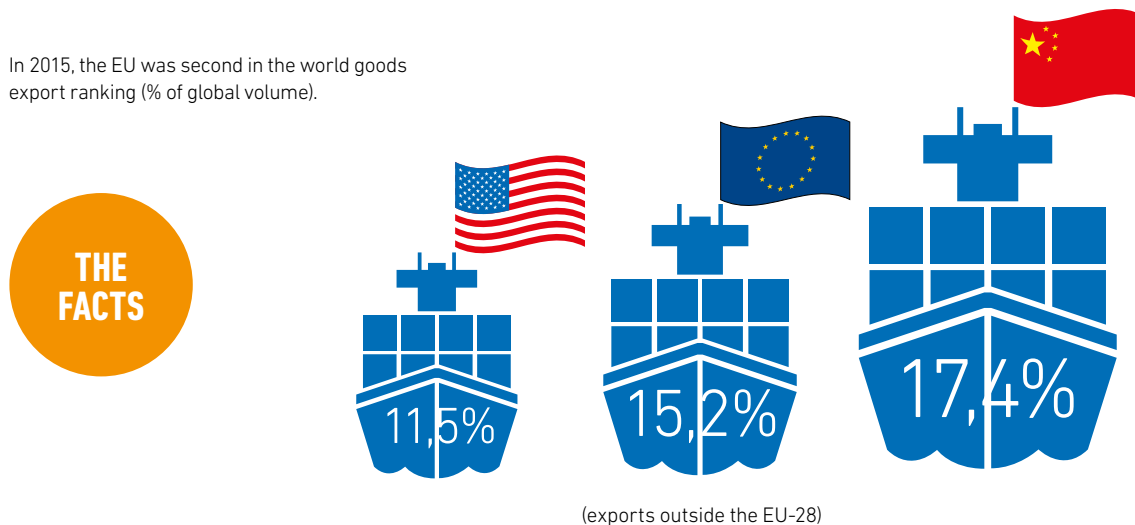
Geert Wilders, Dutch MP and leader of Party for Freedom

4. Defence of trade and industry



Populist political parties blame the EU for de-industrialisation and advocate protectionist policies like trade barriers and tariffs designed to protect a particular domestic industry against foreign competition. They claim the nation-states can defend and manage their industries and trades better than the EU, which is ineffective and indecisive in trade negotiations and industrial competition.

In 2015, the EU was second in the world goods export ranking (% of global volume).



The populist claims are wrong – the greatest cause of de-industrialisation in the European Union is precisely the fact that there are 28 different models of industrial politics and a lack of common action. Several crucial points support this argument:

1. The EU as a whole has much more decisive negotiating power vis-à-vis the USA and the major emerging economies of Brazil, Russia, India, China and South Africa (BRICS). Individual Member States are not able and will not be able to compete with these economic giants because they do not have the necessary economic mechanisms, industrial capacities, resources and negotiating power to succeed in the current global market on their own.

Example: Brazil has overtaken France in industrial production and South Korea has done the same with the United Kingdom.

2. The EU as a whole is still one of the three largest global players for international trade (together with the USA and China). The EU is the world's largest exporter of manufactured goods and services; it is a global market leader for high-quality products and represents the biggest export market for around 80 countries. The EU market is already one of the most open to trade – EU import tariffs for industrial products are among the lowest in the world. All these facts prove that the EU Member States can increase their opportunities for trade and investment with the rest of the world through common action only.

Example: The EU-28 accounts for around 15% of global goods traded. In 2015, the EU-28 reached EUR 1,790 billion in exports and EUR 1,726 billion in imports. In comparison, Germany on its own reached EUR 1,198 billion in exports and EUR 946 billion in imports and France only EUR 456 billion in exports and EUR 515 billion in imports.

3. The EU as a whole has sufficient resources and capacities necessary to support industrial modernisation and ensure European leadership in global markets in the context of industrial revolution and digital transformation. Only the EU can enable European companies to compete in domestic and global markets and ensure better and more balanced policies on external tariffs. The common action of all EU countries can implement policies and programmes that support development and innovation, while the majority of Member States do not have sufficient resources to do this on their own.

Example: The recent Free Trade Agreements with South Korea and with Singapore are examples of the EU's capacity to shape the global trading system.

It is essential to restore and strengthen European industrial and trade capacity. In order to do so, the EU needs to abandon the existence of 28 different models of industrial policies and create a uniform and integrated industrial policy. It is precisely the absence of a genuine common industrial policy that lies at the root of the de-industrialisation of the EU and its difficulties competing with new emerging economies. To rebuild the various sectors of its industry, the EU must pool together the skills of each of its Member States. By acting together rather than individually, European countries will therefore strengthen their global industrial position. The EU must also stop acting naively in response to unfair competition from certain economic partners. In order to do so, it must equip itself with strong and protective trade defence tools, like those of the United States, which have not hesitated to take anti-dumping duties up to 200%.

TOWARDS AN INTEGRATED INDUSTRIAL POLICY – INITIATIVES LAUNCHED AT THE EUROPEAN LEVEL:

March 2010 – ‘Europe 2020 – A Strategy for Smart, Sustainable and Inclusive Growth’ put forward seven initiatives, of which the following are the most important for making the EU’s industry more competitive: ‘Innovation Union’, ‘A digital agenda for Europe’, ‘An industrial policy for the globalisation era’ and ‘New Skills for New Jobs’.

October 2011 – ‘Industrial Policy: Reinforcing competitiveness’ called for deep structural reforms and coordinated policies across the Member States to enhance the EU’s economic and industrial competitiveness. It pointed out key areas in which greater effort is needed: structural change in the economy; the innovativeness of industries; sustainability and resource efficiency; the business environment; the single market; and SMEs.

October 2012 – ‘A Stronger European Industry for Growth and Economic Recovery’ aimed to support investment in innovation with a focus on six priority areas with great potential: advanced manufacturing technologies for clean production; key enabling technologies; bio-based products; sustainable industrial and construction policy and raw materials; clean vehicles and vessels; and smart grids.

January 2014 – ‘For a European Industrial Renaissance’ stresses the need to focus on post-crisis growth and modernisation. It calls on EU countries to recognise the central importance of industry for creating jobs and growth. It also puts forward new actions to speed up the competitiveness of the EU economy, maximise the potential of the internal market, implement instruments of regional development in support of innovation, skills, and entrepreneurship, and facilitate the integration of EU firms in global value chains.





European re-industrialization cannot be ensured as long as there is a lack of common action. Member States should understand that they can be economically better-off and industrially more advanced if they join forces and create a common European industrial policy that makes European industry more competitive so it can maintain its role as a driver of sustainable growth and employment in Europe. The five steps need to be taken:

- 1. Industry must remain the backbone of the European Union economy.** In order to re-industrialise Europe and enhance its global industrial position, the EU has to build upon its traditional industrial sectors – automobile industry, aeronautics, chemical industry, pharmaceutical industry, transport infrastructure and luxury goods industry. It is essential that the EU continues to invest in these sectors and protect their position within current global trading.
- 2. The EU must react to new trends in the global economy and outline the plan for proper industrial modernisation in accordance with its potential and opportunities.** The European Commission has already identified the key sectors for innovative European industry – electric transport, nanotechnology, biotechnology, micro-technology, sustainable development and artificial intelligence. They provide the basis for innovation in a range of products across all industrial sectors, underpin the shift to a greener economy and low-carbon economy and are instrumental in modernising Europe's industrial base.
- 3. The EU needs to advance its research, technological innovation and new production processes.** The industry needs to be properly interconnected with modern European research centres and universities. The European Commission also needs to continue investing in the Private Public Partnerships (PPPs) that make research and innovation funding across the EU more efficient by sharing financial, human and infrastructure resources. The EU also needs to move forward with the idea of Knowledge Society.
- 4. The EU must continue its policy of supporting small and medium-sized companies (SMEs)** and enhance the Small Business Act (SBA), which aims to improve the approach to entrepreneurship in Europe, simplify regulations and environmental standards for SMEs, and remove the remaining barriers to their development. Industry and industrial competitiveness are very important for SMEs. It is important to facilitate the progressive integration of EU firms and particularly SMEs into global value chains to increase their competitiveness and ensure access to global markets in more favourable competitive conditions.
- 5. The EU must pursue the launch of the document 'For a European Industrial Renaissance', and other commenced initiatives.** This should translate into the increased standardisation of European tax systems, applying the principle of reciprocity for external tariffs to ensure every party plays fairly and fights against any forms of social and environmental dumping.

The European Union faces competition from new emerging economies with which we cannot compete unless all EU Member States join forces. In order to launch proper re-industrialisation and modernisation, attract new investments and create a better business environment, the EU needs more integrated policies in the fields of trade and industry. Industry and industrial competitiveness are central determinants for creating jobs and accelerating growth in Europe. The EU must continue to support its traditional industrial sectors, and at the same time, prioritise research and innovation. Only the EU as a whole is capable of strengthening its industry and trade. Similarly, the heads of State and government must not yield to 'blackmailing' or fear of 'reprisals'. United, Europe will be stronger. Only the EU as a whole can find the mechanisms required to defend and enhance its common trade and industry and secure economic prosperity, industrial capacity, economic growth and the creation of jobs for European citizens.

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With financial support from the European Parliament

The text was drafted by Adriana Ciefova (IED)

Editing and Publication Design by EU-turn

Brussels, October 2017

This publication receives funding from the European Parliament. The European Parliament assumes no responsibility for facts or opinions expressed in this publication or their subsequent use.